

Wyoming Partners with U.S. EPA and Encana to Address Water Quality Concerns in Pavillion, Wyoming

Today, the State of Wyoming announced a program with support of the U.S. Environmental Protection Agency (EPA) and Encana Oil and Gas USA to further investigate drinking water quality in the area east of Pavillion, Wyoming and provide the residents of the area with long-term access to alternate water supplies. This investigation will help to clarify water quality concerns and lay the groundwork for any further action needed to protect drinking water resources while assuring residents of the availability of clean water.

"It is in everyone's best interest – particularly for citizens in the Pavillion area – that Wyoming, EPA and Encana work in a thoughtful and productive manner to reach an unbiased, scientifically supportable conclusion," Governor Mead said. "I commend the EPA and Encana for working with me to chart a positive course for this investigation. I commit that Wyoming will work in a thoughtful and productive manner as further investigation is initiated."

At the request of Pavillion area residents reporting objectionable taste and odor in their well water, EPA has been working with the State and the Northern Arapaho and Eastern Shoshone Tribes to identify the source and extent of impacts on domestic well water quality. To date, after five phases of monitoring, EPA's domestic well sampling results have documented constituents of concern, but a source of those constituents has not been determined. EPA efforts to evaluate potential migration pathways from deeper gas production zones to shallower domestic water wells in the Pavillion gas field have been inconclusive.

Wyoming, through the Wyoming Oil and Gas Conservation Commission (WOGCC) and the Wyoming Department of Environmental Quality (WDEQ) will initiate a comprehensive review of all relevant data and additional science-based investigation. The sampling data obtained throughout EPA's groundwater investigation will be considered in Wyoming's investigation and EPA and Encana will have the opportunity to provide input into a final report that will be issued by the State on <insert date> The WOGCC and WDEQ will retain independent expert or experts to review and comment on available data and their technical and regulatory analysis, assumptions, and recommendations. EPA and Encana will have an opportunity to recommend third-party experts for the State's consideration.

Encana has committed to providing \$XX amount of funding through the Wyoming Association of Conservation Districts to support the State's efforts including, but not limited to scientific analysis, water sourcing, and public outreach and education. In addition, Encana will make available any remaining funding previously provided through the Wyoming Association of Rural Water Systems to continue the availability of alternate water supplies while longer-term solutions are put in place.

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In 2012, the Wyoming Legislature appropriated \$750,000 for the design and construction of cistern systems and a water loading station in the Town of Pavillion. Installation of twenty cistern systems and the water loading station is scheduled to occur shortly. There will be other opportunities for Pavillion residents who have not requested cisterns to do so. The State will work with residents to identify acceptable means of providing water to their rural homes and will provide funding for water deliveries on a long-term basis. Wyoming is meeting its highest priority – finding solutions for drinking water concerns of its residents.

<quote from Encana>

While EPA stands behind its work and data, the Agency recognizes the State's commitment to further investigation and does not plan to finalize or seek peer review of its draft Pavillion groundwater report nor rely on its conclusions. EPA is conducting a major research program on the relationship between hydraulic fracturing and drinking water in different areas of the country and will release a draft report in late 2014. The agency will look to the results of this program as the basis for its scientific conclusions and recommendations on hydraulic fracturing. "In light of this partnership, we believe that EPA's focus going forward should be on using our resources to support the State's program, which will build on EPA's monitoring results," said EPA Acting Administrator Bob Perciasepe. "We recognize the leadership of Wyoming and Encana in assuring safe water for Pavillion residents and look forward to partnering with the State as they conduct their investigation."

Fourteen domestic water wells located in the Pavillion oil and natural gas field – PGDW05, PGDW14, PGDW20, PGDW21, PGDW23, PGDW30, PGDW32, PGDW33, PGDW41, PGDW42, PGDW44, PGDW45, PGDW49, and LD02 – will be further evaluated for water quality and palatability concerns. The WOGCC will prepare a report concerning the status and reclamation of pits in the Pavillion Field. In addition, WOGCC will prepare a report concerning the integrity of all oil and natural gas exploration and production wells within 1320 feet of the fourteen domestic water wells with identified water quality issues.

The WDEQ will review all relevant data for each of the fourteen domestic water wells previously identified. In its review, the WDEQ will evaluate the data, conclusions and recommendations contained in the WOGCC's well bore integrity and pits final reports. Based on its review, the WDEQ will conduct two rounds of monitoring of some or all of the fourteen domestic water wells. The WDEQ will determine if further investigation, including additional monitoring, is necessary using exceedances of EPA primary and secondary contaminant levels and WDEQ Water Quality Rules and Regulations as a trigger.

Activities in the Pavillion gas field highlight several considerations including the importance of collecting baseline water quality data and providing proper water

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quality information and education. Wyoming has initiated a process for establishing a uniform regulation for the collection of baseline water quality data prior to and after oil and natural gas development.